country, Government propose to reduce the interest rate on loan provided to the cooperative sector;

(b) if so, whether Karnataka has requested the Central Government to extend the facilities to the State;

(c) if so, what are the details in this regard; and

(d) the decision taken by Government in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) There is no such proposal under consideration.

(b) Government has not received any request from Karnataka for extending the facilities to the State.

(c) Does not arise in view of (b) above.

(d) National Bank for Agriculture and Rural Development (NABARD) has reported that based on the suggestion made by Hon'ble Chief Minister of Karnataka during the budget presentation for the current year to reduce the lending rates by 2%, some of the District Central Co-operative Banks (DCCBs) in Karnataka have agreed to reduce the interest rate by 1% to 2%. NABARD has also decided to reduce the maximum interest rate on refinance for short term (seasonal agricultural operations) to State Co-operative Banks (SCBs) / District Central Co-operative Banks (DCCBs) from 8% p.a. to 7.5% p.a. NABARD has also reduced the rate of interest on its short term refinance to SCBs / DCCBs for financing marketing of crops from 10% to 8.5% p.a.

Raids of Income-Tax department on Great Eastern Shipping Corporation and IPCA Laboratories

214. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Income Tax Department have conducted nation-wide raids at several premises belonging to Great Eastern Shipping Corporation and IPCA Laboratories;

(b) if so, what are the details of cash, jewellery and other articles / documents found during the raids;

(c) whether there is nexus between the builders and the above companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. Income Tax Department conducted searches at several premises belonging to the Great Easter Shipping Corporation and IPCA Laboratories. The details of cash, jewellery and other assets seized as a result of searches are mentioned as below:

(in lakhs)

Sl. No.	Name of the company	Cash	Jewellery	Others	Total
1.	Great Eastern Shipping Co.	Nil	Nil	Nil	Nil
2.	IPCA Laboratories	21.75	Nil	Nil	21.75
	TOTAL	21.75	Nil	Nil	21.75

(c) and (d) The preliminary enquiries have confirmed that one of the group companies of Great Eastern Shipping Corporation *viz.* GESCO corporation is found to be involved in the construction activity. Some Directors are common with other companies of the Group. Further enquiries are going on.

Show-cause notice to M/s. U.B. Group

215. SHRI BRATIN SENGUPTA:
SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 253 given in the Rajya Sabha on 24 July 2001 and state:

(a) what are the broad outlines of the show-cause notice issued to M/s U.B. Group and Vijaya Malaya by the adjudicating authority;

(b) whether Government have received any reply in response to the show-cause notice; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Show-cause notices have been issued to M/s U.B. Ltd. and its Chairman for violation of sections 8(1), 9(1)(c), 47(1) and (2) of FERA, 1973.